



About This Booklet

This booklet is designed to answer some common questions about the group Long Term Disability (LTD) insurance coverage being offered by Hennepin County to eligible employees. It is not intended to provide a detailed description of the coverage.

If coverage becomes effective and you become insured, you will receive a group insurance certificate containing a detailed description of the insurance coverage including the definitions, exclusions, limitations, reductions and terminating events. The controlling provisions will be in the *group policy* issued by Standard Insurance Company (The Standard). Neither the certificate nor the information presented in this booklet modifies the *group policy* or the insurance coverage in any way. If you have additional questions, please contact Hennepin County Benefits Unit at (612) 348-3530.

Please note that defined terms and provisions from the *group policy* are italicized in this booklet.

Long Term Disability Insurance Features

LTD insurance is designed to pay a benefit to you in the event you cannot work because of illness or injury. This benefit replaces a portion of your income, thus helping you to meet your financial commitments in a time of need.

By sponsoring group LTD insurance from The Standard, your *employer* offers you an excellent opportunity to help protect yourself and your lifestyle.

Commonly Asked Questions

The following information provides details to give you a better understanding of group LTD insurance available from The Standard.

Am I eligible for this coverage?

To be eligible for this plan you must be a citizen or resident of the United States and one of the following:

- An active permanent or probationary employee in regular (non-temporary) appointment with Hennepin County with regular standard hours of 30 hours or more per week;
- A limited duration appointment employee with Hennepin County that has an appointment that exceeds 6 months and with regular standard hours of 30 hours or more each week;
- An active employee in a grant or an unclassified position that is defined to include benefits and has regular standard hours of 30 hours or more each week; or
- An elected official of Hennepin County with regular standard hours or 30 hours or more each week.

When does my insurance go into effect?

LTD coverage goes into effect when you meet the eligibility requirements set by your *employer*. Generally, this is the first day of the pay period following 30 consecutive days as a *member*. You must meet the *active work* requirement before your insurance becomes effective.

What is the active work requirement?

Active work means performing with reasonable continuity, the material duties of your *own occupation* at your *employer's* usual place of business. You must be capable of *active work* on the day before the scheduled effective date of your insurance or your insurance will not become effective as scheduled. If you are not *actively at work* on the day before the scheduled effective date of insurance, your insurance will not become effective until the day after you complete one full day of *active work* as an eligible employee.

Do I need to enroll in this benefit?

No, enrollment is automatic through the APEX Employee Self-Service Portal.

How much will the LTD coverage cost me?

Full-time employees trade .472 hour of sick leave/PTO accrual per pay period to purchase coverage. Eligible part-time employees trade .420 hour of sick leave/PTO accrual per pay period.

Will I have to provide information regarding my medical history?

Evidence of insurability is required for reinstatement of terminated coverage, coverage that was waived or voluntarily dropped and for *members* eligible but not insured under your company's prior LTD insurance plan, if any. If you need to submit *evidence of insurability*, please access the Hennepin County Benefits Unit website.

When do LTD benefits become payable?

If you become *disabled* and your claim for *LTD benefits* is approved by The Standard, *LTD benefits* become payable after you have been continuously *disabled* for 90 days and remain continuously *disabled*. *LTD benefits* are not payable during this *benefit waiting period*.

When am I considered disabled?

During the *benefit waiting period* and the *own occupation period*, you are considered *disabled* if, as a result of *physical disease, injury, pregnancy or mental disorder*:

- You are unable to perform with reasonable continuity the *material duties* of your *own occupation*, and
- You suffer a loss of at least 20 percent of your *indexed predisability earnings* when working in your *own occupation*

The *own occupation period* for the LTD coverage is the first 12 months for which *LTD benefits* are paid. You are not *disabled* merely because your right to perform your *own occupation* is restricted, including a restriction or loss of license.

After the *own occupation period*, you are considered *disabled* if, as a result of *physical disease, injury, pregnancy or mental disorder*, you are unable to perform with reasonable continuity the *material duties* of *any occupation* that you are able to perform, whether due to education, training or experience:

- Which is available at one or more locations in the national economy, and
- In which you can be expected to earn at least 60 percent of your *indexed predisability earnings* within 12 months following your return to work, regardless of whether you are working in that or any other occupation.

How is the LTD benefit amount calculated?

The *LTD benefit* amount is determined to be the lesser of the following formulas:

- A) Multiply your insured *predisability earnings* by 60%.
- B) Multiply your insured *predisability earnings* by 70% and then reducing it by other income you receive or are eligible to receive while *LTD benefits* are payable. This other income is referred to as *deductible income*.

In the example below, Formula A *LTD benefit* would be \$1,200 and Formula B *LTD benefit* would be \$600.

	Formula A	Formula B
Insured <i>predisability earnings</i>	\$2,000	\$2,000
<i>LTD benefit</i> percentage	x 60%	x 70%
	\$1,200	\$1,400
Less Social Security disability benefit	na	- \$600
Less PERA income benefit	na	-200
Amount of <i>LTD benefit</i>	\$1,200	\$600

How much is the LTD benefit amount?

Your monthly *LTD benefit* is a percentage of your insured *predisability earnings*. The maximum and minimum *LTD benefit* amounts are indicated below.

Maximum <u>Monthly LTD benefit</u>	Minimum <u>Monthly LTD benefit</u>
\$8,500	Greater of \$100 or 10% of your monthly benefit reduced by <i>deductible income</i>

What are predisability earnings?

Predisability earnings are your monthly rate of earnings from your *employer* and typically include:

- Salary
- Contributions you make through a salary reduction agreement with your *employer* to an IRC Section 401(k), 403(b), 408(k), 408(p) or 457 deferred compensation arrangement, or an executive nonqualified deferred compensation arrangement
- Amounts contributed to fringe benefits according to salary reduction agreements under an IRC Section 125 plan

Predisability earnings generally exclude bonuses, commission, overtime pay, shift/weekend differential pay, allowances, on-call pay, stability pay, cash merit payments, lump sum or retroactive adjustments, expense reimbursements, your *employer's* contribution to a deferred compensation arrangement or pension plan, or any other extra compensation.

For members with standard hours of 80 per two-week pay period: *Predisability earnings* are based on your earnings in effect on the last full day of *active work*.

For members with standard hours of 60 but fewer than 80 hours per two-week pay period: *Predisability earnings* are based on your hourly pay rate in effect on your last full day of *active work* multiplied by the average number of hours worked per month during the preceding 12 calendar months (or during your period of employment if less than 12 months).

What is deductible income?

Deductible income is income you receive or are eligible to receive while *LTD benefits* are payable. It includes, but is not limited to, the following:

- Sick pay, annual or personal leave pay, severance pay, or other forms of salary continuation paid by your *employer* if these amounts exceed a certain amount. See your Certificate of Coverage for details.
- Benefits under any workers’ compensation law, state disability income benefit law or similar law
- Amounts under unemployment compensation law or similar law
- Social Security disability or retirement benefits, including benefits for your *spouse* and *children*
- Disability benefits from any other group insurance
- Disability or retirement benefits under your *employer’s* retirement plan, including a public employee retirement system, a state teacher retirement system, and a plan arranged and maintained by a union or employee association for the benefit of its members.
- Earnings from work activity while you are *disabled*, plus the earnings you could receive if you worked as much as you are able to considering your *disability*
- Earnings or compensation included in your *predisability earnings* and which you receive or are eligible to receive while *LTD benefits* are payable
- Amounts due from or on behalf of a third party because of your *disability*, whether by judgment, settlement or other method
- Any amount you receive by compromise, settlement or other method as a result of a claim for any of the above

What is the maximum benefit period?

If you become *disabled* before age 62, *LTD benefits* may continue during *disability* until you reach age 67. If you become *disabled* at age 62 or older, the benefit duration is determined by your age when *disability* begins as indicated in the table below.

<u>Age when <i>disability</i> begins</u>	<u>Maximum benefit period</u>
62	60 months
63	48 months
64	42 months
65	36 months
66	30 months
67	24 months
68	18 months
69 and older	12 months

When do LTD benefits end?

LTD benefits end automatically on the earliest of:

- The date you are no longer *disabled*
- The date your *maximum benefit period* ends
- The date you die
- The date benefits become payable under any other LTD plan under which you become insured through employment during a period of *temporary recovery*
- The date you fail to provide proof of continued *disability* and entitlement to benefits

What are some of the other features of this coverage?

This LTD coverage has the following features:

- It covers *disabilities* that occur 24 hours a day, both on and off the job.
- If your *employer* makes an approved work-site modification that enables you to return to work while *disabled*, The Standard will reimburse your *employer* up to a pre-approved amount for some or all of the cost of the modification.
- While *LTD benefits* are payable, you may qualify to participate in a rehabilitation plan that prepares you to return to work. If you qualify, The Standard may pay for return to work expenses you incur, such as job search, training and education and family care expenses.
- If you die while *LTD benefits* are payable, and on the date you die you have been continuously *disabled* for at least 180 days, a *survivors benefit* equal to three times your unreduced *LTD benefit* may be payable. Any *survivors benefit* payable will first be applied to any overpayment of your claim due to The Standard.
- If the *group policy* terminates, *LTD benefits* will continue as long as you are eligible to receive them.

What exclusions apply to this coverage?

You are not covered for a *disability* caused or contributed to by any of the following:

- Your committing or attempting to commit an assault or felony, or your active participation in a violent disorder or your being engaged in an illegal occupation.
- An intentionally self-inflicted injury, while sane or insane
- *War* or any act of *war* (declared or undeclared, and any substantial armed conflict between organized forces of a military nature)
- The loss of your professional or occupational license or certification
- A *preexisting condition* or the medical or surgical treatment of a *preexisting condition* unless on the date you become *disabled*, you have been continuously insured under the *group policy* for the 12-month *exclusion period* and *actively at work* for at least one full day after the end of the *exclusion period*

What is a preexisting condition?

A *preexisting condition* is a mental or physical condition, whether or not diagnosed or misdiagnosed:

- Which was discovered or suspected as a result of any routine or other medical examination at any time during the *preexisting condition period* or
- For which you have consulted a physician or other licensed medical professional, received medical treatment, services or advice, undergone diagnostic procedures, including self administered procedures, or taken prescribed drugs or medications at any time during the *preexisting condition period*

The *preexisting condition period* is the 90-day period just before your LTD insurance becomes effective.

What limitations apply to this coverage?

LTD benefits are not payable for any period when you are:

- Not under the ongoing care of a *physician* in the appropriate specialty as determined by The Standard
- Not participating in good faith in a plan, program or course of medical treatment or vocational training or education approved by The Standard, unless your *disability* prevents you from participating
- Able to work and earn at least 20 percent of your *indexed predisability earnings*, but you elect not to work; during the *own occupation period*, the responsibility to work is limited to work in your *own occupation*; thereafter, the responsibility to work includes work in *any occupation*

In addition, payment of *LTD benefits* is limited in duration if you reside outside of the United States or Canada.

When does my LTD insurance coverage end?

The LTD insurance ends automatically on the earliest of the following:

- The date the last period ends for which a premium contribution was made (except if premiums are waived while *disabled*)
- The date your employment terminates
- The date the *group policy* terminates
- The date you cease to be a *member*, however, insurance may continue for limited periods under certain circumstances as described in the *group policy*

What if I have additional questions?

If you have any additional questions, please contact your Human Resources Benefits Unit at (612) 348-3530.